



U.S. Department of the Interior  
"To-Be" Trust Business Model  
Process Template

**Title: Reconcile Exceptions & Produce Report**

Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)

**Process Number**

**FO.1.3**

**1. Process Definition** *Provide an overview of the process and define its starting and ending points*

<b>1.1 Starts With</b>	Posting of funds to the appropriate funds receivable and beneficiary accounts.
<b>1.2 Process Overview</b>	<p>An exception report is produced documenting receipts, primarily from land use contracts, that cannot be posted to the appropriate account due to missing or incorrect information. A program office, probate office, integrated servicing office, or other party is provided a copy of the report and asked to help resolve and/or explain the exception.</p> <p>After posting errors have been corrected, a payors' deficiency report, including an aged schedule of late and underpayments, is produced. The appropriate program office, probate office, integrated servicing office, or other party is again notified and asked to help resolve and/or explain the deficiencies.</p> <p>For production-based contracts, such as timber or crop share contracts, the receipts are first validated against the remittance information provided by the operator and then validated against a production report, also provided by the operator. Similarly, transactions that cannot be posted or are delinquent or deficient are included on the exception or deficiency report.</p>
<b>1.3 Stops With</b>	Reports are produced and exceptions and deficiencies are explained or reconciled.

**2. Trust Business Objectives** *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

<b>Goal/Objective</b>
Deposit and post funds to the appropriate accounts in a timely and accurate manner within applicable standards.

**3. How should Beneficiaries be involved in this process?**

<b>Beneficiary Involvement</b>
No direct beneficiary involvement.



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**4. Organizations, Offices and Roles.** Identify the DOI organizations and related roles that should be involved in performing the process.

**4.1 DOI Organizations.** Identify the DOI organizations, offices and individual roles that contribute to this process. DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others. Offices include Central Offices, Regional Offices, Agency (Field) Offices, etc. All individual roles that contribute, in a significant manner, should be identified.

Organization	Office	Role	Contribution
BIA	Agency/Field Office Probate Office		Assist in resolving posting errors and remittance deficiencies and delinquencies.
OST	Trust Field Operations		Assist in resolving posting errors and remittance deficiencies and delinquencies.
OST	Trust Services, OTFM		Produce exception report. Produce deficiency report. Perform reconciliation between payments received, funds receivable and account balances. Perform quality assurance. Reconcile with Treasury. Reconcile with lockbox operation.
Compacted and Contracted Tribes			Assist in resolving posting errors and remittance deficiencies and delinquencies.

**4.2 Non-DOI Organizations.** Identify the non-DOI organizations that support the execution or control of this process.

External Organization	Contribution
Payors	Resolve and/or explain late or underpayments.
Other federal agencies	Assist with reconciliation.
Lockbox operation	Assist with reconciliation.



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- 5. Event(s)** Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
An attempt is made to post a receipt of funds	A receipt of funds cannot be posted to the appropriate account(s).	Daily
A deficient or delinquent payment is received	Monies received are not equal to the funds due.	Daily

- 6. Inputs and Outputs.** Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.

**6.1 Inputs**

Input	Description
Funds receivable entries	The documentation of funds due and received from commitments that is created in the funds receivable system.
Fund transfers or receipts	Monies received that will not flow through the receivables system, such as interest earned.
Beneficiary accounts	An account created to receive and disburse trust-related monies to individual Indian and tribal beneficiaries.
Escrow or administrative accounts	Accounts that document the receipt and disbursement of non-trust monies, such as administrative fees, bid deposits and performance bonds.
Ownership and distribution information	Ownership information that lists those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements. When land use contract payments are received, the funds receivable system interfaces with the leasing system and matches the commitment ID on the remittance coupon with tract IDs which interface with ownership records in the title system in order to identify the account holders who have a financial interest in the incoming funds.
Royalty Report (2014)	An operator's explanation of royalty payment.
Production Accountability Audit	Non-compliance and reconciliation issues that are material or frequent enough to merit an audit.



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**6.2 Outputs**

Output	Description
Exception report	Report of receipts that cannot be posted to funds receivable and/or an account, and therefore requiring further investigation.
Payor Deficiency Report	Report of receipts that are different than the anticipated receipt recorded in the funds receivable system and therefore require investigation.
Funds receivable entry	Account balance adjusted to reflect reconciliation.
Beneficiary account entry	Account balance adjusted to reflect reconciliation.
Escrow or administrative account entry	Account balance adjusted to reflect reconciliation.
Reconciliation reports	Information to reflect accounts have been reconciled.

**7. Fiduciary and Legal Obligations and Controls**

**7.1 Obligations** Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
Regulations for carrying out the duties to manage and administer trust assets	25 CFR 115	Guidelines for management of trust funds for tribes and individual Indians.
Leasing on trust assets related to bonuses, damages and fees	25 CFR 211.24	Regulation concerning deposit of funds.
Rights of Way: compensation for granting of easements and deposits for survey damages	25 CFR 169.14	Regulation concerning deposit of funds.
Freedom of Information Act (FOIA)	5 USC 552	Provides specifically that "any person" can make requests for government information. Citizens who make requests are not required to identify themselves or explain why they want the information they have requested. All branches of the Federal government must adhere to the provisions of FOIA with certain restrictions for work in progress (early drafts), enforcement confidential information, classified documents,



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Obligation	Source	Business Impact
		and national security information.
Privacy Act of 1974	5 USC 552 (a)	Protects information pertaining to individuals.

**7.2 Controls** Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
Generally Accepted Accounting Principles (GAAP)	Ensure that financial records meet industry standards and are auditable.	Accounting industry standards.
Federal Financial Accounting Standards	Ensure that financial records meet federal standards and are auditable.	Financial standards issued by the Federal Accounting Standards Advisory Board.
Federal Manager's Financial Integrity Act 1982 (FMFIA)	Ensure compliance with the requirements of internal accounting and administrative controls.	Federal financial standards.
DOI Accounting Handbook	Ensure standard department accounting practices.	Detailed desk procedures that include identified service standards and management overview to ensure service standards are met.
Interagency Handbook	Ensure that the distinctions between the BIA and OST responsibilities are defined, understood and followed.	Define roles and responsibilities of OST and BIA.
Risk assessments	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.
Reconciliation of accounts	Ensure that accounts are in balance.	Analysis of account balances.
Service levels	Performance management.	Agreed upon allowable time limits for performing tasks, such as funds deposit and posting.



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Control	Reason	Description
Audits	Ensure adherence to policies and procedures and that an audit trail is intact.	Analysis, adjustment of accounts. May include a certification of accuracy from a non-prejudiced accounting professional.
An internal audit control function is in place following OCC requirements to monitor processes	DOI consults with OCC to develop trust standards and regulations to ensure compliance with stated objectives.	Office of Controller of the Currency (OCC) - Regulation 9. Government financial standards.
Month-end unit reconciliation includes an aging process	Identify and clear exceptions, deficiencies and delinquencies within specified timeframes. Exceptions older than the stated standard are reviewed by a senior manager.	Internal control procedure.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.

**8. Mechanisms (Systems of Record)** Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.

System Name	Support
Trust Financial Accounting System (TFAS)	Technology that applies receipts, distributions and disbursements to the appropriate beneficiary and escrow accounts. An escrow tracking module is also included.
Funds receivable system	Technology that tracks payor commitments of funds, such as leases, judgment awards, sales, probate settlements, and receipts against those commitments. A cash management module that allocates projected and actual receipts to and from beneficiary accounts is also included.
Leasing system	Technology, such as TAAMS Realty, that maintains land use contracts.
Title system	Technology, such as TAAMS Title, that maintains ownership information including those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements.



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System Name	Support
Intra Governmental Payments and Collections System (IPACS)	Technology that transfers funds between governmental departments, bureaus and agencies..

**9. Inter-Process Relationships** Identify other Trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.

**9.1 Predecessors.** Predecessors are processes that either produce information required by this process or that result in the need to execute this process.

Process No.	Name	Condition of Relationship
FO.1.2a	Receive and Post Trust Funds	Monies received cannot be posted to funds receivable system and/or a beneficiary account. Monies received are delinquent or deficient.
FO.1.2b	Receive and Post Non-Trust Funds	Monies received cannot be posted to the appropriate account. Monies received are delinquent or deficient.
UM.4.6.3	Reconcile Production	Receive reconciliation of production reports to funds received and help to resolve exceptions and deficiencies.

**9.2 Successors.** Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.

Process No.	Name	Condition of Relationship
B.3	Communicate Information	Receive exceptions report indicating receipts that cannot be posted and help to resolve.
B.6.3.2	Receivable Administration	Receive exceptions report indicating receipts that cannot be posted and help to resolve. Receive deficiency reports indicating late payments or underpayments received and help to resolve.
UM.4.1	Monitor Management Units	Receive exception report indicating receipts that cannot be posted and help to resolve. Receive deficiency report indicating late payments or underpayment receipts and help to resolve.



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Process No.	Name	Condition of Relationship
UM.4.6.4	Perform Production Accountability Audit	Non-compliance and reconciliation issues are material or frequent enough to merit an audit.
O.3.3	Close Probate Case	Receive deficiency reports and help to resolve.
O.1.5	Close Transaction	Receive deficiency reports and help to resolve.
FO.1.4	Impose Penalties and Generate Notices	A posted deficiency (under, late or no payment received) is accurate and a penalty will be applied.

- 10. Comments** Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)

Category	Comment
	None